

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2005

	December-05					September-05				Current Fiscal YTD	Prior Year FY05	3 Years Ended 6/30/2005	5 Years Ended 6/30/2005
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	2,190,500	5.2%	5.1%	3.42%	0.80%	2,197,481	5.3%	5.1%	5.64%	9.25%	8.17%	N/A	N/A
Total Structured Growth	2,190,500	5.2%	5.1%	3.42%	0.80%	2,197,481	5.3%	5.1%	5.64%	9.25%	8.17%	8.30%	-8.29%
<i>Russell 1000 Growth</i>				2.98%	-0.31%				4.01%	7.11%	1.67%	7.25%	-10.36%
<i>Structured Value</i>													
LSV	2,221,117	5.3%	5.1%	2.42%	1.13%	2,183,339	5.3%	5.1%	4.82%	7.36%	18.24%	14.45%	14.70%
<i>Russell 1000 Value</i>				1.27%	0.60%				3.88%	5.20%	14.06%	11.00%	5.27%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	2,959,119	7.0%	6.9%	2.69%	0.98%	2,949,694	7.1%	6.9%	6.85%	9.72%	7.39%	8.78%	N/A
<i>Russell 1000</i>				2.12%	0.13%				3.95%	6.15%	7.92%	9.19%	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	2,933,322	6.9%	6.9%	2.57%	0.39%	2,875,844	6.9%	6.9%	3.81%	6.48%	6.02%	8.16%	N/A
Westridge	2,935,482	6.9%	6.9%	2.10%	0.05%	2,869,302	6.9%	6.9%	3.65%	5.82%	6.66%	8.57%	N/A
Total Enhanced S&P 500 Index	5,868,803	13.9%	13.7%	2.33%	0.22%	5,745,146	13.8%	13.7%	3.73%	6.15%	6.26%	8.87%	N/A
<i>S&P 500</i>				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	N/A
<i>S&P 500 Index</i>													
State Street	1,472,396	3.5%	3.4%	2.07%	0.03%	1,439,516	3.5%	3.4%	3.61%	5.76%	6.34%	8.30%	-2.34%
<i>S&P 500</i>				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	14,711,936	34.8%	34.3%	2.55%	0.58%	14,515,177	34.9%	34.3%	4.78%	7.45%	8.65%	9.54%	-0.74%
<i>S&P 500</i>				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	4,630,572	11.0%	10.7%	0.97%	-0.01%	4,580,471	11.0%	10.7%	5.48%	6.49%	9.36%	13.65%	N/A
<i>Russell 2000 + 200bp</i>				1.64%	-0.29%				5.21%	6.93%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	4,630,572	11.0%	10.7%	0.97%	-0.01%	4,580,471	11.0%	10.7%	5.48%	6.49%	9.36%	13.65%	5.64%
<i>Russell 2000</i>				1.13%	-0.46%				4.69%	5.88%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	136,000	0.3%	0.3%	4.44%	4.82%	136,195	0.3%	0.3%	10.65%	15.56%	7.68%	7.31%	-2.19%
<i>MSCI EAFE (1)</i>				4.08%	4.65%				10.38%	14.88%	9.59%	7.29%	-2.85%
<i>Large Cap - Active</i>													
Capital Guardian	413,833	1.0%	0.9%	9.43%	6.09%	407,620	1.0%	0.9%	11.82%	22.37%	11.23%	7.35%	-3.02%
LSV	402,975	1.0%	0.9%	4.29%	4.07%	405,624	1.0%	0.9%	11.55%	16.33%	N/A	N/A	N/A
Bank of Ireland	134,409	0.3%	0.3%	3.28%	3.63%	131,150	0.3%	0.3%	6.99%	10.50%	12.20%	N/A	N/A
Total Large Cap - Active	951,217	2.3%	2.1%	6.36%	4.89%	944,394	2.3%	2.1%	11.02%	18.08%	13.74%	8.14%	-2.37%
<i>MSCI EAFE - 50% Hedged</i>				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.01%
<i>Small Cap - Active</i>													
Lazard	134,012	0.3%	0.3%	2.89%	6.04%	134,246	0.3%	0.3%	9.65%	12.81%	19.82%	N/A	N/A
Wellington	138,623	0.3%	0.3%	5.95%	6.63%	131,822	0.3%	0.3%	8.08%	14.52%	12.00%	N/A	N/A
Total Small Cap - Active	272,635	0.6%	0.6%	4.41%	6.34%	266,068	0.6%	0.6%	8.88%	13.68%	15.90%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				8.94%	7.40%				12.05%	22.06%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	1,359,852	3.2%	3.0%	5.77%	5.17%	1,346,657	3.2%	3.0%	10.56%	16.94%	13.12%	10.28%	-0.51%
<i>MSCI EAFE - 50% Hedged</i>				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.01%
EMERGING MARKETS EQUITY													
<i>Core</i>													
Capital Guardian	125,393	0.3%	0.5%	9.92%	6.56%	534,210	1.3%	1.1%	16.25%	27.79%	33.94%	22.44%	4.12%
Ishares-Index Fund (temporary)	109,555	0.3%	0.3%	N/A	4.95%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
JP Morgan	111,380	0.3%	0.3%	N/A	5.35%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
UBS	212,761	0.5%	0.5%	7.63%	6.66%	185,941	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
Total Core	559,089	1.3%	1.5%	8.68%	6.04%	720,152	1.7%	1.5%	17.05%	27.21%	33.94%	22.44%	4.12%
<i>MSCI Emerging Markets Free</i>				7.20%	5.92%								
<i>Small Cap</i>													
DFA	128,432	0.3%	0.3%	8.16%	6.50%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets Free</i>				7.20%	5.92%								
TOTAL EMERGING MARKETS EQUITY	687,521	1.6%	1.5%	8.22%	6.11%	720,152	1.7%	1.5%	17.05%	26.67%	33.94%	22.44%	4.12%
<i>MSCI Emerging Markets Free</i>				7.20%	5.92%				18.11%	26.62%	34.89%	24.42%	7.64%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	1,782,426	4.2%	4.2%	0.24%	1.06%	1,580,068	3.8%	4.0%	-0.48%	-0.25%	7.25%	7.46%	8.91%
<i>Lehman Aggregate</i>				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<i>Index</i>													
Bank of ND	3,639,093	8.6%	10.0%	0.64%	0.90%	3,248,692	7.8%	8.8%	-0.93%	-0.29%	7.23%	6.11%	7.77%
Bank of ND Match Loan CD Program	-	0.0%	0.0%	N/A	N/A	508,143	1.2%	1.2%	1.28%	N/A	5.08%	5.33%	5.53%
Total Index	3,639,093	8.6%	10.0%	0.83%	0.90%	3,756,835	9.0%	10.0%	-0.43%	0.40%	6.91%	5.88%	7.41%
<i>Lehman Gov/Credit</i>				0.60%	0.95%				-0.96%	-0.37%	7.26%	6.41%	7.70%
<i>Convertibles</i>													
TCW	1,789,948	4.2%	4.2%	1.16%	0.36%	1,599,139	3.8%	3.9%	2.95%	4.14%	-0.23%	8.73%	-2.63%
<i>Merrill Lynch All Convertibles</i>				0.46%	0.80%				4.15%	4.63%	0.66%	9.94%	0.50%

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BBB Average Quality													
Wells Capital	1,775,731	4.2%	4.2%	0.56%	1.04%	1,558,632	3.8%	4.0%	-0.82%	-0.26%	12.04%	9.22%	8.81%
<i>Lehman BBB</i>				0.39%	1.03%				-0.97%	-0.58%	8.60%	9.16%	7.86%
Private Debt													
Prudential	1,785,162	4.2%	4.2%	0.82%	0.90%	1,547,831	3.7%	3.7%	-0.27%	0.54%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.59%	0.95%					-0.08%	N/A	N/A	N/A
Timberland													
RMK	1,510,168	3.6%	3.6%	-6.09%	-0.08%	1,691,648	4.1%	4.1%	-0.24%	-6.31%	14.50%	12.47%	N/A
TIR	4,080,110	9.7%	9.7%	3.19%	0.00%	4,252,495	10.2%	10.2%	-0.09%	3.09%	N/A	N/A	N/A
Total Timberland	5,590,278	13.2%	13.2%	0.55%	-0.02%	5,944,143	14.3%	14.3%	-0.13%	0.42%	44.29%	21.48%	N/A
<i>NCREIF Timberland Index</i>					0.32%					1.91%	14.07%	7.31%	N/A
TOTAL DOMESTIC FIXED INCOME	16,362,637	38.7%	40.0%	0.68%	0.55%	15,986,648	38.5%	40.0%	-0.09%	0.60%	19.23%	11.83%	8.92%
<i>Lehman Aggregate</i>				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
HIGH YIELD BONDS													
Loomis Sayles	736,952	1.7%	1.8%	1.36%	1.78%	730,191	1.8%	1.8%	1.24%	2.62%	15.96%	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				0.80%	0.92%				0.99%	1.80%	10.83%	N/A	N/A
Sutter/Wells Capital	732,625	1.7%	1.8%	1.38%	0.86%	719,462	1.7%	1.8%	0.31%	1.69%	9.62%	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				0.80%	0.92%				0.99%	1.80%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	1,469,577	3.5%	3.5%	1.37%	1.32%	1,449,653	3.5%	3.5%	0.77%	2.16%	12.76%	13.38%	5.52%
<i>Lehman High Yield Bond Index</i>				0.80%	0.92%				0.99%	1.80%	10.86%	14.51%	7.47%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	367,776	0.9%	1.0%	-2.54%	1.46%	377,538	0.9%	1.0%	-1.08%	-3.60%	7.92%	11.22%	8.24%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				-2.61%	1.16%				-1.24%	-3.81%	7.75%	10.98%	7.92%
International Core													
Brandywine	383,044	0.9%	1.0%	-0.22%	1.37%	383,667	0.9%	1.0%	0.80%	0.58%	11.78%	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-2.39%	1.02%				-0.86%	-3.22%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	750,820	1.8%	2.0%	-1.36%	1.42%	761,205	1.8%	2.0%	-0.15%	-1.51%	9.84%	12.08%	8.74%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				-2.61%	1.16%				-1.24%	-3.81%	7.75%	10.98%	7.92%
REAL ESTATE													
INVESCO	654,945	1.5%	1.5%	1.73%	1.56%	644,857	1.6%	1.5%	7.19%	9.04%	N/A	N/A	N/A
J.P. Morgan	670,504	1.6%	1.5%	4.94%	2.36%	638,969	1.5%	1.5%	6.33%	11.58%	19.52%	12.70%	10.44%
TOTAL REAL ESTATE	1,325,450	3.1%	3.0%	3.33%	1.97%	1,283,826	3.1%	3.0%	6.76%	10.32%	19.52%	12.70%	10.44%
<i>NCREIF TOTAL INDEX</i>				5.43%	1.78%				4.44%	10.11%	18.02%	12.07%	10.81%
ALTERNATIVE INVESTMENTS													
Coral Partners V	24,206			1.43%	0.00%	25,142			0.01%	1.44%	-18.97%	-24.36%	-22.64%
Coral Partners V - Supplemental	2,886			-1.04%	0.00%	3,072			-7.36%	-8.32%	-6.85%	-4.52%	N/A
Coral Partners VI	28,946			2.13%	0.00%	24,640			-1.55%	0.55%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	7,500			3.50%	3.50%	7,633			3.17%	6.78%	19.64%	3.73%	-1.83%
Brinson 1999 Partnership Fund	12,615			0.64%	0.64%	14,894			2.44%	3.10%	9.31%	1.61%	-4.71%
Brinson 2000 Partnership Fund	29,767			3.70%	3.70%	30,388			6.45%	10.39%	14.97%	3.21%	-0.80%
Brinson 2001 Partnership Fund	19,991			2.53%	2.30%	17,963			3.91%	6.53%	4.00%	1.40%	N/A
Brinson 2002 Partnership Fund	11,017			3.38%	3.38%	11,227			3.47%	6.97%	-4.22%	6.13%	N/A
Brinson 2003 Partnership Fund	2,713			5.26%	5.26%	2,234			7.59%	13.25%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	6,350			-1.05%	-1.05%	6,761			-5.55%	-6.54%	32.09%	21.85%	11.30%
Brinson 2000 Non-US Partnership Fund	9,525			7.48%	7.48%	9,336			-0.69%	6.74%	15.57%	13.45%	4.88%
Brinson 2001 Non-US Partnership Fund	8,437			3.98%	3.98%	10,238			9.11%	13.45%	9.19%	8.24%	N/A
Brinson 2002 Non-US Partnership Fund	14,576			15.23%	15.23%	12,138			-0.04%	15.18%	12.60%	12.07%	N/A
Brinson 2003 Non-US Partnership Fund	7,182			12.34%	12.34%	6,735			0.61%	13.03%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	2,694			9.37%	9.37%	1,761			4.09%	13.84%	0.42%	N/A	N/A
Brinson BVCF IV	42,100			8.77%	0.00%	40,777			10.29%	19.96%	6.06%	3.14%	-7.20%
Matlin Patterson Global Opportunities	39,179			-1.36%	0.00%	43,089			-8.79%	-10.03%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	34,956			0.00%	0.00%	36,845			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	11,114			0.00%	0.00%	11,709			0.00%	0.00%	-18.88%	-13.16%	N/A
Hearthstone MSII	0			0.00%	0.00%	1,850			0.00%	0.00%	1214.92%	179.43%	90.03%
Hearthstone MSIII	22,991			7.40%	0.00%	33,669			4.53%	12.27%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	338,745	0.8%	1.0%	3.62%	1.75%	352,099	0.8%	1.0%	1.64%	5.32%	17.54%	3.01%	-3.42%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	634,912	1.5%	1.0%	0.85%	0.28%	553,273	1.3%	1.0%	0.89%	1.75%	2.19%	1.82%	2.72%
<i>90 Day T-Bill</i>				0.92%	0.32%				0.83%	1.75%	2.15%	1.55%	2.62%
TOTAL FUND	42,272,023	100.0%	100.0%	1.70%	0.82%	41,549,160	100.0%	100.0%	3.06%	4.81%	13.81%	11.53%	4.95%
POLICY TARGET BENCHMARK				1.48%	0.67%				2.18%	3.69%	8.15%	8.59%	3.87%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.